



HR Trends in B.C. – Survey Report
June 2010

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This short report contains sections 1 and 2 only.

The full report is available to members in the library at <http://community.bchrma.org/library.htm>

Executive Summary

The results of the 2010 BC HRMA HR Trends Survey show a shift away from the negative projections of 2009 towards a more positive future with steady growth in revenues and staffing levels. The survey was completed by 677 respondents from across B.C. during April 2010.

The majority (53%) of respondents are expecting their revenues to increase during the next 12 months. Staffing level growth will lag this increase in revenues with 45% projecting increases to staffing. HR budgets are projected to remain the same with 40% projecting no increase and 29% projecting an increase. The findings from the last three annual surveys have highlighted a tendency for HR budgets to be reduced or to significantly lag any increased functional demands.

Unlike previous years, there is a difference between the projections in the public and private sectors. The majority of respondents approximately 60% come from the private sector, approximately 20% come from the public sector and the rest come from Co-operatives and Not-for-Profits. Whilst the private sector is projecting growth in revenues and staffing levels, the public sector is projecting a contraction in both revenue and staffing. The majority (43%) of public sector organizations indicate that staffing levels will reduce. When it comes to revenues, 38% are projecting a reduction. Although leadership capability and performance are important in the public sector the priorities for this sector are negotiating collective agreements and managing change. It appears that the economic conditions that impacted the private sector last year are affecting the public sector this year.

Overall, HR functions in the province of B.C. are focused on increasing their leadership capability and ensuring their staff groups perform. After a year of change in 2009, the majority of organizations are focused on getting the best contribution from the leaders and employees they have. This finding is consistent with an economic recovery where organizations are cautious to rebuild staffing levels and intend to handle increases in organizational activity with their current staff group. The goal of the HR function is to support increases in productivity and performance, aligned to their organization's strategy.

This year, for the first time, we were able to look at the effect of the HR function's involvement in strategy development. Those who have a high involvement in strategy are more likely to be projecting an increase in revenue and an increase in HR budget.

1. Introduction

In April 2010, BC HRMA conducted its third annual survey of HR trends in B.C. The aim of this research is to gain an understanding of the current and future plans and challenges facing the HR profession in the province.

The data was gathered through an online survey distributed to BC HRMA members. The survey was open during April 2010 and received 677 responses, a comparable number to the 2009 survey. The sample group was very similar to previous years, with one exception: the representation of organizations based in Coastal Vancouver was 50% lower than previous years.

In keeping with last year's sample group, there was a tendency for people from large organizations (2000+) to answer this survey, as opposed to smaller or medium-sized organizations (50 – 500). The overall sample for B.C. supports credible results and robust comparison.

This report follows a thematic approach. Key themes that emerge from the data are explained and supported. In addition, the report describes key areas of comparison between 2009 and 2010 results.

2. Key Themes

The themes which emerged from the survey are described below. Each theme will be addressed in more detail in the following pages of the report.

2.1 First Signs of Recovery

In keeping with the recent economic data, the trends relating to staff and revenue growth are turning positive. In 2009, the overall trends were indicating negative outcomes, with strong projections of reduced revenue, headcount and HR budget. This has turned around for 2010, with overall projections for increases in revenue, headcount and HR budget. The outlook for 2010 compared to 2009 is distinctly more positive.

2.2 The Public / Private Divide

In reviewing the 2010 data for the public and private sectors it is clear that these two sectors are moving counter to each other. Whereas the private sector is projecting a recovery and a return to slow growth, the public sector appears now to be feeling the effects of the recession and is projecting staff reductions, budget reductions and an overall more negative picture.

In previous years, there had been significant commonalities between the challenges facing the public and private sector. For example, retention and leadership development had featured very highly for both sectors. The changing nature of the economic effects and the impact of this year's union negotiations, however, has broken this connection. It is clear that public and private sector HR functions will be focused on very different areas and looking to progress very different agendas during 2010.

2.3 The Leadership and Performance Focus

Productivity and the growing skills gap have become prevalent themes in the business press. Overall, it is clear that HR is at the forefront in trying to support improvements in productivity and performance for their organizations. The chosen areas of focus for most organizations trying to enhance their results are leadership capability and performance management. The logic underlying these decisions suggests a belief that an improvement in leadership ability will lead to a correlated increase in employee output, whilst a more intense focus and application of employee performance will both monitor the output required and find ways to correct or enhance it. The economic conditions being experienced by organizations have intensified the focus on the aspects of HR with the most direct connection to driving value creation.

2.4 The Strategy Link

For the first time we are starting to see a link between HR's involvement in the strategy process of their organization, the organization's revenue projections and the HR budget repercussions. Survey results indicated that the projections for both revenue growth and HR budget growth were more likely to be positive in organizations where HR was more involved in the development of strategy.

Appendix A - Survey Demographic Data

Chart A1: Respondents by Sector

The chart below shows the percentage of respondents by organizational sector.

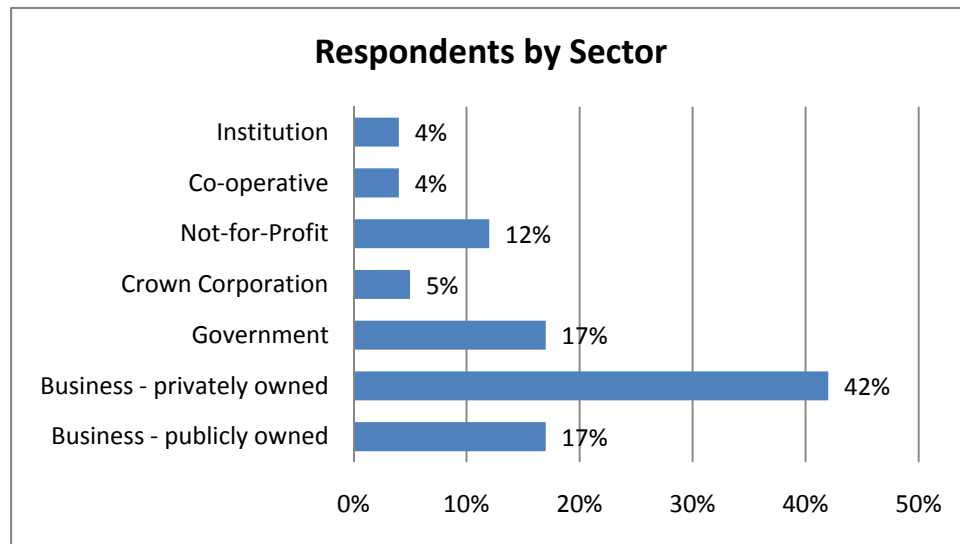


Chart A2: Respondents by Organizational Size

The chart below shows the percentage of respondents by organizational size – based on headcount.

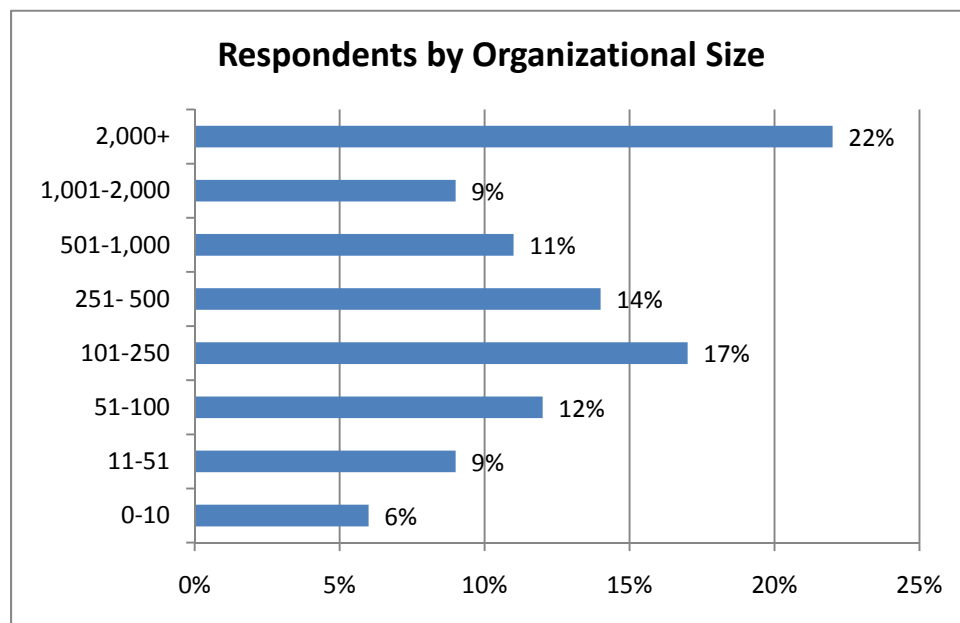


Chart A3: Respondents by Region

The chart below shows the percentage of respondents by their region within B.C..

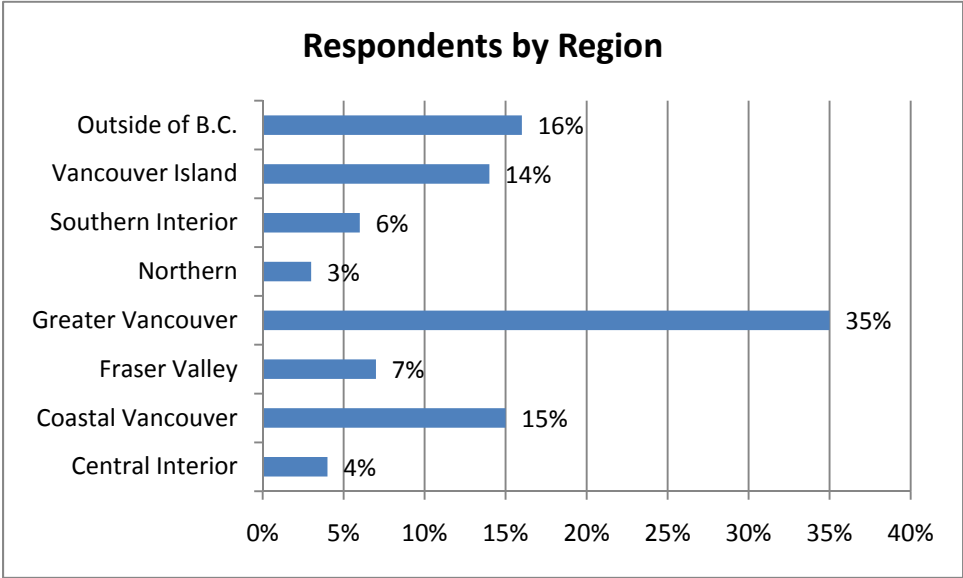


Chart A4: Respondents by Role

The chart below shows the percentage of respondents by their role within their organization.

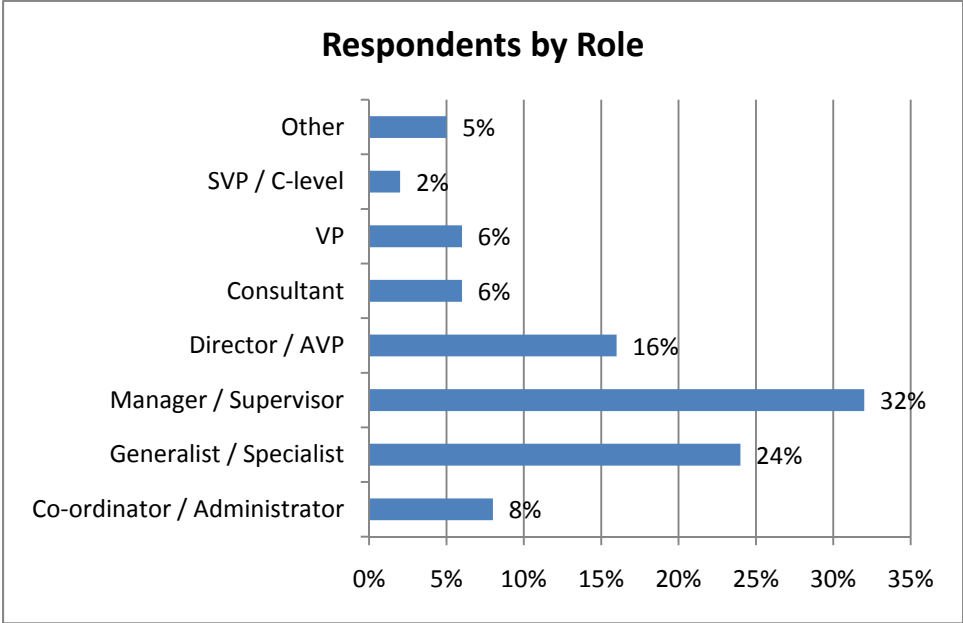
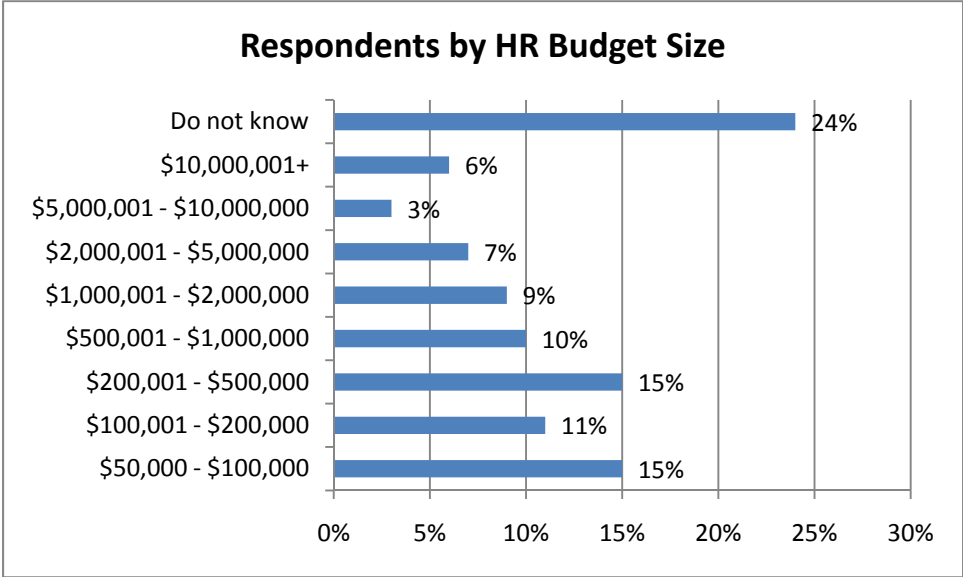


Chart A5: Respondents by HR Budget Size

The chart below shows the percentage of organizations falling within the specified budget ranges. Please note that 24% of respondents do not know the size of their budget. This is down from 30% in the 2009 survey.



About this Report

This report was authored by Ian J. Cook, Director of Research and Learning at BC HRMA. The support and advice of Helen Luketic, Manager, HR Metrics and Research and Kyla Nicholson, Manager, Professional Development at BC HRMA was invaluable in developing themes and interpreting the data.

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Any questions or feedback regarding this report can be sent to research@bchrma.org.